

VZCZCXRO7708
RR RUEHBZ RUEH DU RUEHMR RUEHRN
DE RUEHJO #0302/01 2970837
ZNR UUUUU ZZH
R 240837Z OCT 07
FM AMCONSUL JOHANNESBURG
TO RUEHC/SECSTATE WASHDC 6017
INFO RUCNSAD/SADC COLLECTIVE
RUEHPE/AMEMBASSY LIMA 0005
RUEHBJ/AMEMBASSY BEIJING 0042
RUEHGP/AMEMBASSY SINGAPORE 0001
RUEHJO/AMCONSUL JOHANNESBURG 2764

UNCLAS SECTION 01 OF 02 JOHANNESBURG 000302

SIPDIS

SIPDIS

PASS DOL/ILAB FOR SUDHA HALEY

E.O. 12958: N/A

TAGS: [ECON](#) [PREL](#) [ELAB](#) [SF](#) [CH](#)

SUBJECT: SOUTH AFRICA: OPINIONS ON CHINA

REF: STATE 136164

JOHANNESBU 00000302 001.2 OF 002

¶1. Summary: Consul General recently received his counterpart, newly-arrived Chinese Consul General FANG Li, and discussed US-China cooperation under the Strategic Economic Dialogue, as well as preparations for South Africa's hosting of the 2010 World Cup Soccer. An October 18 discussion on China in Africa organized under the auspices of the South African Institute of International Affairs meanwhile offered a variety of perspectives on China's involvement in Africa. Several speakers, including the Ambassador of Peru and High Commissioner of Singapore, used carefully nuanced language in noting the benefits and possible pitfalls of enhanced engagement. End Summary.

¶2. Consul General Coffman met with his newly-arrived counterpart on October 18. During the courtesy call, Mr. Fang made a point of commenting that China and the U.S. were cooperating on a variety of issues, including North Korea and Sudan, and that he was looking forward to working with the U.S. Consulate General on a number of issues, particularly, security. CG Coffman explained how he planned to use his role as the US Mission's coordinator for assistance to South Africa on the 2010 World Cup preparations to energize the Johannesburg Consular Corps to come together on a number of common issues, among which security was the top priority. The Chinese Consul General seemed seriously concerned for the safety of his compatriots given Joburg's record of violent criminality, a fair share which is directed to the Chinese community. Mr. Fang also talked about his experiences serving in the U.S., first in the Embassy in Washington a number of years ago, and more recently having served as Deputy Consul General in Houston.

¶3. In a separate meeting on China's role in Africa, also on October 18, organized by the South African Institute for International Affairs (SAIIA), Dr. Chris Alden of the London School of Economics commented that China perceived its policies in Africa as founded on mutual benefits rather than exploitation. China's primary interests in Africa were unblocked access to resources and impeded access to markets; its philosophy was mercantilist and it adhered to ASEAN principles of non-interference. Alden also highlighted China's concern over the U.S. "bending" of nuclear rules for India in an attempt to enlist it against China. Singapore's High Commissioner to South Africa, Mr. Justice Rubin, provided an overview of trade statistics that graphically illustrated huge increases in African and Southeast Asian trade with China over the past two years. He noted that Singapore could no longer compete on low-end manufacturing but had moved to higher end products. The High Commissioner also noted that historically China had not

engaged in colonization, and, in carefully nuanced language, noted that there had been much speculation on China's motives, with more questions being raised than answered. He concluded that he saw grounds for optimism in Chinese engagement with Africa.

14. Peru's Ambassador to South Africa, Dr. F.C. Calderon, commented on Latin American perceptions of China as well as the impact of the commodities boom, fueled by China's and India's economic surge, on Latin American economies. He noted that China now owned 90 percent of a copper deposit in Peru, one of the 20 largest such in the world. Dr. Calderon said that five percent of Peru's population was ethnically Chinese and that cultural values were very close. He noted that China's appetite for investment and the work ethic of its people allied with their entrepreneurial culture had many benefits. However, the textile industry provided an example of conflicting interests, where Chinese imports had created substantial employment losses in Peru, and had led to a limited quota system on Chinese manufacturing. Another participant noted that a recent Brenthurst discussion proposed China as a model of economic development in terms of attracting foreign investment though China's own dominance of light manufacturing made it unlikely that other countries could use that method to climb the development ladder. He noted that there had been no consensus whether China's policy of non-interference would impact on good governance or definitions thereof and whether this would assist on peace and security and conflict resolution issues. He also noted that China did not precondition its assistance on the development of democracy.

15. Comment: Audience questions varied but ranged from whether China respected and protected indigenous knowledge to the extent of its regard for Southern African labor laws. Certain questions, such as one on the likely impact of Chinese influence on African business environments described as characterized by corruption and high barriers to entry for newcomers, demonstrated a fair amount of skepticism regarding the extent of mutual benefit to African populations. The speakers, while

JOHANNESBU 00000302 002.2 OF 002

carefully choosing their language, noted that China's impact on Africa would have both beneficial and detrimental aspects. End Comment.
COFFMAN